

RECORDING REQUESTED BY:

County of San Luis Obispo

AND WHEN RECORDED MAIL TO:

Director of Social Services  
County of San Luis Obispo  
3433 S. Higuera Street  
San Luis Obispo, CA 93401

Free recording in accordance with California Government Code Sections 6103 and 27383

APNs: [REDACTED]

AGREEMENT TO FUND ACQUISITION OF REAL PROPERTIES  
ON SOMBRILLA AVENUE IN ATASCADERO, CA BETWEEN THE  
COUNTY OF SAN LUIS OBISPO AND FAMILY CARE NETWORK, INC.

THIS AGREEMENT is made and entered into on \_\_\_\_\_, by and  
between FAMILY CARE NETWORK, INC, a California 501(c)-3 nonprofit corporation  
(hereinafter referred to as the "Subrecipient"), and the COUNTY OF SAN LUIS OBISPO, a  
political subdivision of the State of California (hereinafter referred to as "the County").

WITNESSETH:

WHEREAS, the County is the recipient of a 2014-15 CalWORKs Housing Support  
Program grant from the California Department of Social Services which was accepted by the  
County Board of Supervisors on October 7, 2014 to provide housing for homeless recipients of  
benefits from CalWORKs (hereinafter referred to as "HSP"); and

WHEREAS, the County Department of Social Services ("DSS") has created the 1991  
Realignment Trust consisting of unspent sales tax realignment funds from the California State  
Controller that are carried over from fiscal year to fiscal year and may be reinvested for Child  
Welfare Services, CalWORKs, In-Home Supportive Services, CalFresh and other programs  
administered by DSS (hereinafter referred to as "1991 Realignment Trust Funds"); and,

WHEREAS, the Subrecipient is in escrow to purchase five residential units located at [REDACTED], also referred to as "5-plex") and four residential units located at [REDACTED], also referred to as "4-plex") in Atascadero, CA, with the properties being fully described in Exhibits A and B (herein collectively referred to as the "Property"); and

WHEREAS, the Subrecipient intends to manage the Property for a term of no less than twenty (20) years for the purpose of housing homeless individuals and families served by DSS; and

WHEREAS, the Subrecipient shall be responsible for the repairs, maintenance, management and ownership of the Property; and

WHEREAS, the Subrecipient has requested that the County fund the acquisition of the Property, including the purchase price, closing costs, appraisal costs, and inspection fees (collectively "Acquisition Cost"); and

WHEREAS, the Subrecipient and the County will enter into an Operating Program Agreement between San Luis Obispo County Department of Social Services and Family Care Network, Inc.(FCNI), hereinafter referred to as "OPA" and said terms and conditions incorporated into this Agreement, to address matters such as Subrecipient's management of the Property, various repairs that need to be made to the Property, ongoing maintenance and repair costs, utility costs, management costs, and relocation costs for existing tenants who will be relocated because they do not qualify for continued occupancy in accordance with the OPA; and

WHEREAS, the Subrecipient agrees to execute loan document(s) with the County, including a Promissory Note ("Note") and Deed of Trust, Assignment of Rents, Security Agreement and Fixture filing (Permanent Financing) ("Deed of Trust") to secure the financing of the Property and also to assure the County that the Property will be managed in accordance with this Agreement for a period no less than twenty (20) years; and

WHEREAS, the Subrecipient is an eligible entity to own, maintain and operate the Property.

NOW, therefore, in consideration of the mutual promises, recitals and other provisions hereof, which are incorporated herein, the parties agree as follows:

1. TERM OF AGREEMENT

The term of this Agreement shall commence on the date of recordation of the Grant Deed vesting ownership of the Property in the name of the Subrecipient ("Acquisition Date"), which date shall be no later than June 30, 2015 unless extended in writing by mutual agreement, and shall terminate twenty (20) years from the Acquisition Date, unless extended in writing by mutual agreement of the parties. County's approval of either such extension may be authorized on behalf of the County by the Director of Social Services ("Director").

2. SCOPE OF WORK

(a) Within one year and for the remaining term of this agreement thereafter, no less than eight units of the Property shall be made available to homeless individuals and families served by DSS ("Recipient") who shall be referred to the Subrecipient by the County's Department of Social Services, with the ninth unit to be occupied by a property manager who may or may not be a Recipient. If the property manager is a Recipient, then all nine units shall be occupied by Recipients. If the property manager is not a Recipient, then the property manager shall occupy a one-bedroom residential unit. If additional units are constructed at the Property, all units with the exception of the property manager's unit must be occupied by a Recipient.

(b) Within four months following the Acquisition Date, FCNI shall complete all safety improvements to the Property, as identified in Attachment II to the OPA ("Improvements"), necessary for initial placement of HSP eligible residents, and obtain final permit approval as necessary from the City of Atascadero for the initial safety Improvements so that they will be available for occupancy by Recipients. Additional property improvements (identified in Attachment II to the OPA) will be completed within one year of the Acquisition Date, and all necessary permits and approvals will be obtained from the City of Atascadero. The estimated cost for the Improvements is not to exceed \$300,000, and the County will reimburse FCNI for costs incurred up to \$300,000.

(c) If the Subrecipient does not make available the Property for occupancy by Recipients within one year after the Acquisition Date, then the Subrecipient shall repay to the County all funds loaned to the Subrecipient and invested in the Property by the County in accordance with this Agreement and the OPA, unless an extension shall be approved in writing by the Director for circumstances beyond the Subrecipient's control.

(d) Upon the initial occupancy of each individual unit, the Subrecipient shall provide to the County the unit address and size (number of bedrooms), plus Recipient information (i.e., Recipient household name and list of occupants). If at least eight units are not occupied or available for occupancy by Recipients within one year from the Acquisition Date or if the Subrecipient violates this Agreement or the OPA, then the Subrecipient shall repay to the County upon County's written demand all funds loaned to the Subrecipient and invested in the Property by the County in accordance with this Agreement, the OPA, and the Deeds of Trust.

(f) During the twenty (20) year term of this Agreement, the Subrecipient shall retain legal ownership of the Property and of all rights, royalties, profits and proceeds generated or caused by the nine rental residential units.

(g) In the event that escrow fails to close on either the 4-Plex or the 5-Plex, Director may, but shall not be obligated to, amend this agreement to reflect the same terms adjusted only for the description of the Property and the number of units, and County shall reimburse Subrecipient the costs of appraisal, escrow, and inspection fees related to the property that failed to close escrow under this Agreement.

### 3. BUDGET

(a) Estimated Total Project Cost: The total project cost is approximately \$1,310,000.00 ("Estimated Total Project Cost") consisting of Acquisition cost (lower of \$750,000 for 5-Plex and \$550,000 for 4-Plex or appraised value of each property), plus closing costs, appraisal cost, and inspection fees. The Director shall have the right to adjust the amount of the Promissory Notes and Deeds of Trust for the Property to fund the exact figure as determined in escrow and following County's receipt and approval of appraisal. In the event that County and Subrecipient shall disagree regarding appraised value of the Property, additional comparable sales may be provided to the appraiser and a request for reconsideration may be submitted.

(b) Funding: The first trust deed for the 5-Plex and the first trust deed for 4-Plex shall be in the amount \$200,000 each and shall secure the HSP funding. The second trust deed for each property shall be the difference between the Total Project Cost of the 5-Plex and the 4-Plex less \$200,000 each and shall secure the County's 1991 Realignment Trust Funds. An example of the funding is as follows:

**Example for 5-Plex:**

Sales Price—lower of \$750,000 or appraised value	\$ 750,000
Appraisal Cost	1,800
Closing Costs	3,200
Inspections	<u>1,000</u>
Total Acquisition Costs	\$ 756,000
1 <sup>st</sup> Trust Deed to Secure HSP Funds	<u>-200,000</u>
2 <sup>nd</sup> Trust Deed to Secure 1991 Realignment Trust Funds	\$ 556,000

**Example for 4-plex:**

Sales Price—lower of \$550,000 or appraised value	\$ 550,000
Appraisal Cost	1,000
Closing Costs	2,200
Inspections	<u>800</u>
Total Acquisition Costs	\$ 554,000
1 <sup>st</sup> Trust Deed to Secure HSP Funds	<u>-200,000</u>
2 <sup>nd</sup> Trust Deed to Secure 1991 Realignment Trust Funds	\$ 354,000

**4. Reporting.**

(a) Prior to Occupancy. During the four months following the Acquisition Date during which the safety improvements to the Property and Tenant Relocation shall be accomplished, as described below, the Subrecipient shall submit monthly progress reports to the County describing the progress made towards the safety improvements and Tenant Relocation activities. The reports shall be submitted to the Director within 15 days after the end of each month. The Subrecipient shall also submit a Payment Request to the Director as defined in the OPA within 15 days following completion of repairs, including a final building permit from the City of Atascadero, if applicable.

(b) Relocation of Existing Tenants. Subrecipient shall comply with all requirements of the Uniform Relocation Act (URA) of 1970: California Relocation Law (Government Code, Section 7260 et Seq.) and the regulations promulgated thereunder at California Code of Regulations (CCR), Title 25, and Section 6000 et seq. regarding the relocation of tenants of the Property because they do not qualify as eligible individuals and families under the OPA ("Tenant Relocation"). Subrecipient shall submit an acceptable Relocation Plan to the County Department of Social Services for approval, and subsequent required documentation including copies of General Information Notices (GIN) Eligibility Notices, comparable rentals, assistance calculations and other relocation documentation, if required by County.

(c) Reporting of the Recipients at the time of initial occupancy: Refer to Subsection 2(d) (Scope of Work) above.

(d) On-going reporting. Refer to OPA.

5. On-Going Property Operation. For each year of the 20 year term of this Agreement, starting with the date of initial occupancy of any of the units by a Recipient, the Subrecipient shall operate the Property in accordance with the OPA.

6. Compensation. Subject to the terms and conditions of this Agreement, the County shall provide to the Subrecipient the Estimated Total Project Cost as described in Paragraph 3(a). The Subrecipient shall not obligate or expend the funds for any purpose other than for the appraisal, inspection fees, and costs directly related to the acquisition of the Property. Payment for the foregoing shall be in accordance with the following procedure:

(a) The Subrecipient shall execute two promissory notes in favor of the County secured by a first and second deed of trust for both the 5-Plex and for the 4-Plex prior to the funding of the loans by the County into escrow. The Deeds of Trust shall be recorded by the escrow company concurrent with the recording of the acquisition Grant Deed. The Subrecipient's two \$10,000 deposits held in escrow shall be refunded to the Subrecipient upon successful close of escrow, and any overage of the amount funded by the County into escrow sufficient to cover the costs described in Paragraph 3(a) shall be refunded to the County.

(b) The Subrecipient shall submit a completed payment request regarding the

Improvements in accordance with the OPA that shall identify the County and Subrecipient's obligations.

7. **Availability of Funds.** The County shall incur no liability to the Subrecipient, its officers, agents, employees, suppliers, or contractors for any delay in making HSP payments to the Subrecipient, unless such delay is caused by County's intentional misconduct.

8. **Relationship to Grant Agreements.** The Subrecipient acknowledges and agrees that this Agreement is subject to the obligations and limitations imposed on the County by the HSP Grant Agreements and by all future amendments to the HSP Grant Agreements, and that this Agreement is intended to be in conformance and harmony with the HSP Grant Agreements. The Subrecipient hereby expressly agrees to the provisions of the HSP Grant Agreements and further expressly agrees that nothing in this Agreement shall be deemed to require the County to perform an obligation in conflict with the HSP Grant Agreements. The Subrecipient further agrees that the County's right to enter into amendments to the HSP Grant Agreement(s) is not, and shall not be restricted or impaired, in any way, by this Agreement.

9. **Termination of Agreement for Cause.** If the County determines that the Subrecipient has incurred obligations or made expenditures for purposes which are not permitted or are prohibited under the terms and provisions of this Agreement, or if the County determines that the Subrecipient has failed to fulfill its obligations under this Agreement or the OPA in a timely and professional manner, or if the Subrecipient is in violation of any of the terms or provisions of this Agreement, or if the County is given notice by the California Department of Social Services that the HSP Grant Agreement(s) with the County are being discontinued or terminated, or if the Subrecipient should be adjudged to be bankrupt, or if the Subrecipient makes a general assignment for the benefit of the Subrecipient's creditors, or if a receiver should be appointed in the event of the Subrecipient's insolvency, then the County shall have the right to terminate this Agreement and to pursue the remedies defined in the Deed of Trust, Paragraph 19 Acceleration; Remedies upon giving written notice thereof to the Subrecipient, and giving thirty (30) days to cure such default and such additional time if the default cannot

reasonably be cured in thirty (30) days provided the Subrecipient has commenced to cure during the 30 day cure and is pursuing the cure to completion. Termination shall have no effect upon the rights and obligations of the parties arising out of any transaction occurring prior to effective date of such termination. If the County's termination of this Agreement for cause is defective for any reason, including but not limited to the County's reasonable reliance on erroneous facts concerning the Subrecipient's performance, or any defect in the notice thereof, the County's maximum liability shall not exceed the amount payable to the Subrecipient under Section 6 (Compensation) of this Agreement.

The County and the Subrecipient, upon written mutual consent of both parties, may permit this Agreement to be terminated for convenience. Any such termination shall be approved by the County in accordance with the California Department of Social Services CalWORKs HSP guidelines.

10. Reimbursement of Improper Expenditures. If at any time within applicable statutory periods of limitation it is determined by the County or by HSP or its duly authorized representatives, that funds provided for under the terms of this Agreement or the OPA have been used by or on behalf of the Subrecipient in a manner or for purposes not authorized by this Agreement or the OPA, Subrecipient shall, at the County's request, pay to the County an amount equal to one hundred percent of the amount improperly expended.

11. Inspections. The County reserves the right to inspect any work performed hereunder to ensure that the Property is being improved, managed and operated in accordance with the applicable federal, state and/or local requirements, this Agreement, and the OPA. The County agrees that it shall provide the Subrecipient with reasonable notice of scheduled inspections. The Subrecipient agrees that all work found by such inspections not to conform to the applicable requirements shall be corrected and that the County may withhold payment to the Subrecipient unless such corrections are completed, and/or may initiate action(s) in response to potential violations of this Agreement or the OPA for the purpose of protecting the County's security in the Property. The County's failure to inspect any work performed hereunder shall

not be construed as a waiver of its right to require corrections to defective work or to enforce any other provisions of this Agreement or the OPA.

12. Effect of Waiver. County's waiver or breach of any one term, covenant or other provision of this Agreement shall not be a waiver of a subsequent breach of the same term, covenant or provision of this Agreement or the OPA or of the breach of any other term, covenant or provision of this Agreement or the OPA.

13. Records.

(a) All records, accounts, documentation and all other materials relevant to a fiscal audit or examination, as specified by HSP, shall be retained by the Subrecipient for a period of not less than three (3) years from the date of County's final payment under this Agreement or the OPA.

(b) If so directed by the County or HSP, upon termination of this Agreement and the OPA, the Subrecipient shall cause all records, accounts, documentation and all other materials relevant to the Property to be delivered to the County or HSP as depository.

(c) The Subrecipient understands that it shall be the subject to the examination and monitoring by the County Auditor-Controller Treasurer-Tax Collector and/or audit by the State of California for a period of three (3) years after the final payment under this Agreement and the OPA.

14. Audit.

(a) All records, accounts, documentation and other materials deemed to be relevant to the Property by the County or HSP shall be accessible at any time to the authorized representatives of the County, state or federal government, on reasonable prior notice, for the purpose of examination or audit.

(b) An expenditure which is not authorized by this Agreement or the OPA or which cannot be adequately documented shall be disallowed and must be reimbursed to the County or its designee by the Subrecipient. Expenditures for activities not described in Section 2 (Scope of Work) of this Agreement or the OPA or by future separate written agreement shall

be deemed authorized if the County and HSP approve the performance of such activities in writing prior to the commencement of such activities.

(c) Absent fraud or mistake on the part of the County or HSP, the determination by the County and HSP of the allowability of any expenditure shall be final.

15. Indemnification. To the fullest extent permitted by law, Subrecipient shall indemnify, defend, and hold harmless the County and its officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every nature arising out of or in connection with Subrecipient's performance or attempted performance of any obligation or duty provided for or relating to this Agreement, the OPA, and/or the Property , except such loss or damage which was caused by sole negligence or willful misconduct of the County.

16. Insurance. The Subrecipient, at its sole cost, shall purchase and maintain the insurance policies set forth below on all of its operations under this Agreement, and said policies shall be subject to additional terms of the Deeds of Trust. All of the insurance companies providing insurance for Owner shall have, and provide evidence of an A.M. Best & Co. rating of A:VII or above, unless exception is granted by the County's Risk Manager. Furthermore, all policies shall be maintained for the full term of this Agreement and related warranty period if applicable. Any failure to comply with reporting provision(s) of the policies referred to above shall not affect coverage provided to the County, its officers, employees, volunteers and agents. For purposes of the insurance policies required hereunder, the term "County" shall include officers, employees, volunteers and agents of the County of San Luis Obispo, California, individually or collectively.

(a) SCOPE AND LIMITS OF REQUIRED INSURANCE POLICIES

The following policies shall be maintained with insurers authorized to do business in the State of California and shall be issued under forms of policies satisfactory to the County:

(1) Property Insurance.

Subrecipient at its cost shall maintain during the term of this Agreement on the Property a policy or policies of standard fire and extended coverage insurance to the

extent of at least one hundred percent (100%) of full replacement value thereof. In addition, Subrecipient shall insure against loss of all furniture, equipment, and other personal property owned by Subrecipient related to the operation of the Property as housing for homeless individuals and families served by DSS, against loss of rents and all other coverage required under the terms of this Acquisition Agreement and the OPA.

If said improvements, or any part thereof, are at any time during the term of the Acquisition Agreement or the OPA designated as being located within a one-hundred year flood plain by the Federal Emergency Management Agency (FEMA), Borrower shall further keep said improvements insured against loss by flood to eighty percent (80%) of replacement cost.

(2) Commercial General Liability

Policy shall include coverage at least as broad as set forth in Insurance Services Office Commercial General Liability Coverage (CG 0001) with policy limits of not less than \$1 million combined single limit per occurrence. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- i) The County of San Luis Obispo, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- ii) The insurance provided herein shall be considered primary coverage to the County of San Luis Obispo with respect to any insurance or self-insured retention maintained by the County, and the County's insurance shall not be called upon to contribute to this insurance.
- iii) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the County of San Luis Obispo, Department of Social Services.

(3) Business Automobile Liability

Policy shall include coverage at least as broad as set forth in the liability section of Insurance Services Office Business Auto Coverage (CA 0001) with policy limits of

no less than \$1 million combined single limit for each occurrence. Said insurance shall include coverage for owned, non-owned, and hired vehicles. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- i) The County of San Luis Obispo, its officers and employees, is named as an additional insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement.
- ii) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the County of San Luis Obispo, Department of Social Services.

(4) Workers' Compensation/Employer's Liability Insurance

i) Workers' Compensation: policy shall provide statutory limits as required by State of California. Policy shall be endorsed with the following specific language or contain equivalent language in the policy:

- a) The Subrecipient and its insurer shall waive all rights of subrogation against the County, its officers and employees for workers' compensation losses arising out of this Agreement.
- b) The policy shall not be cancelled or materially changed without first giving thirty days prior written notice to the County of San Luis Obispo, Department of Social Services.
- ii) Employer's Liability: policy shall provide \$1 million per accident for bodily injury or disease.

(b) DEDUCTIBLES AND SELF-INSURANCE RETENTIONS

All deductibles and/or self-insured retentions which apply to any of the insurance policies required herein shall be declared in writing by the Subrecipient and approved by the County prior to commencement of this Agreement.

(c) DOCUMENTATION

Prior to commencement of work under this Agreement and annually thereafter for the term of this Agreement, the Subrecipient will provide to the County of San Luis Obispo, Department of Social Services properly executed certificates of insurance clearly

evidencing the coverage, limits, and endorsements specified in this Agreement. Further, at the County's request, the Subrecipient shall provide certified copies of the insurance policies within thirty days of request. The certificate(s) of insurance and coverage verification and all other notices related to cancellation or non-renewal shall be mailed to:

Housing Support Program  
Department of Social Services  
County of San Luis Obispo  
3433 S. Higuera Street  
San Luis Obispo, CA 93401

No cancellation or non-renewal of this policy, or reduction of coverage afforded under the policy, shall be effective until written notice has been given at least thirty (30) days prior to the effective date of such reduction or cancellation to County.

(d) ABSENCE OF INSURANCE COVERAGE

County may direct the Subrecipient to immediately cease all activities with respect to this Agreement if it determines that the Subrecipient fails to carry, in full force and effect, all insurance policies with coverage levels at or above the limits specified in this Agreement. Any delays or expense caused due to stopping of work and change of insurance shall be considered the Subrecipient's delay and expense. At the County's discretion, under conditions of lapse, the County may purchase appropriate insurance and charge all costs related to such policy to the Subrecipient or as provided in Paragraph 4.d. of the Deeds of Trust.

17. **Employment Status.** The Subrecipient shall, during the entire term of this Agreement, be construed as a contractor, and nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship or a joint venture relationship. Neither the Subrecipient nor any of the Subrecipient's agents, employees or contractors are or shall be considered to be agents or employees of the County or State of California in connection with the performance of the Subrecipient's obligations under this Agreement or the OPA.

18. **Contractors and Subcontractors.** The Subrecipient agrees to, and shall require its

contractors and subcontractors to agree to:

- (a) Construct, maintain and/or operate the Property in accordance with federal, state and local housing and building codes as applicable.
- (b) Comply with the Labor Standards described in 24 CFR 92.354 and with the provisions of the California Labor Code, as applicable.
- (c) Maintain at least the minimum state-required workers' compensation insurance for any employees who will construct, maintain and/or manage the Property or any part of it.
- (d) Maintain, if so required by law, unemployment insurance, disability insurance and liability insurance in an amount to be determined by the State which is reasonable to compensate any person, firm, or corporation who may be injured or damaged by the Subrecipient or any subcontractor in constructing, maintaining and/or operating the Property or any part of it.
- (e) Be licensed in accordance with the provisions of Chapter 9, Division III of the Business and Professions Code.

19. **Equal Employment Opportunity.** During the performance of this Agreement, the Subrecipient agrees that it will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin, disability or familial status (i.e., family size) and specifically agrees to comply with the provisions of Section 202 of Presidential Executive Order No. 11246.

20. **No Assignment Without Consent.** Inasmuch as this Agreement and the OPA is intended to secure the specialized services of the Subrecipient, the Subrecipient shall not have the right to assign or transfer this Agreement or the OPA, or any part hereof or monies payable hereunder, without the prior written consent of the County, which consent will not be unreasonably withheld, and any such assignment or transfer without the County's prior written consent shall be considered null and void.

21. **Binding on Successors in Interest.** All provisions of this Agreement and the OPA shall be binding on the parties and their heirs, assigns and successors in interest. All such

successors shall be individual, parties, and agencies that are in conformance with Section 20 (No Assignment Without Consent).

22. **Funding for Additional Services.** Funding of any programs, projects, or services beyond the term of this Agreement and the OPA, by any new agreement or amendment or extension of this Agreement, has not been authorized and will depend upon the County's determination of satisfactory performance of this Agreement and the OPA by the Subrecipient and upon the availability to the County of additional grant funds allocated for such purposes. Neither County nor any employee of the County has made any promise or commitment, expressed or implied, that any additional funds will be paid or made available to the Subrecipient for the purpose of this Agreement over and above the funds expressly allocated under the terms of this Agreement and the OPA.

23. **Law Governing and Forum Selection.** This Agreement has been executed and delivered in the State of California, and the validity, enforceability and interpretation of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. All duties and obligations of the parties created hereunder are performable in San Luis Obispo County, and a state court in the State of California and in the County shall be that forum for any action, or proceeding that may be brought, or arise out of this Agreement, or be in connection with or be caused by reason of this Agreement.

24. **Severability.** If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

25. **Cost Disclosure - Documents and Written Records.** Pursuant to Government Code section 7550, if the total cost of this contract is over \$5,000, the Subrecipient shall include in all final documents and in all written reports submitted a written summary of costs, which shall set forth the numbers and dollar amounts of all contracts and subcontracts relating to the

preparation of such document or written report. The Subrecipient and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report.

26. **Asset and Partnership Management Fees.** The County hereby agrees and acknowledges that the Subrecipient may pay annual asset management fees and partnership management fees. None of the funds secured by this Agreement and its loan documents may be used to pay for, reimburse or assist in payment of any portion of the management fees described in this Section.

27. **Subrecipient Responsibilities pursuant to 24 CFR Part 92.504(c)(2).** The Subrecipient agrees to comply with the following regulations:

(a) **Applicability of Uniform Administrative Requirements.** Pursuant to 24 CFR 92.505, the Subrecipient will comply with the requirements of OMB Circular and the following requirements of 24 CFR 84: sections 84.2, 84.5, 84.13 through 84.16, 84.21, 84.22, 84.26 through 84.28, 84.30, 84.31, 84.34 through 84.37, 84.40 through 84.48, 84.51, 84.60 through 84.62, 84.72, and 84.73.

(b) **Compliance with Federal Codes and Program Requirements.** To the extent applicable, the Subrecipient agrees to comply with all federal laws and regulations, including but not limited to the Uniform Relocation Assistance and Real Property Acquisition Policies Act (i.e., 49 CFR Part 24 for the URA, 24 CFR Part 42 for Section 104(d), HUD Handbook 1378 – Relocation, and 24 CFR 94.353 for the Agreement), the Davis-Bacon Act, the Lead-Based Paint Poisoning Prevention Act, the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and Title VI of the Civil Rights Act of 1964. This includes all applicable federal laws and regulations described in subpart H of 24 CFR 92 (refer also to 24 CFR 92.504(c)(2)(iv)).

(c) **Compliance with City, County, and State Laws and Regulations.** The Subrecipient agrees to comply with all applicable city, county and state laws and regulations that pertain to construction, health and safety, labor, fair employment practices, equal opportunity and all other matters applicable to the Subrecipient, its subcontractors, and/or the Property.

(d) **Constitutional Prohibition.** The Subrecipient agrees to comply with 24.CFR

570.200(j) regarding First Amendment Church/State principles.

(e) Reversion of Assets. Upon expiration of this Agreement, the Subrecipient must transfer to the County any County funds on hand at the time of expiration and any accounts receivable attributable to the use of County funds not used in the acquisition of the Property, consistent with 24 CFR Part 92.504(c)(2)(vii).

(f) Property Income. Property income is income that is received by the Subrecipient that has been generated from the Property. Such income may come from the rent, lease or sales revenue of the Property. Any income generated from the Property and received by the Subrecipient may be retained by the Subrecipient but shall be used entirely for eligible activities (i.e., maintenance, improvement, and management of the Property).

28. Nonprofit Housing Owner or Developer Responsibilities pursuant to 24 CFR Part 92.504(c)(3). The Subrecipient, which is also a nonprofit housing owner or developer, agrees to comply with the following regulations:

(a) If at any time within the twenty (20) year term of this Agreement, should the Subrecipient or its transferee or successor(s) in interest fail to comply with the terms of this Agreement, then the County shall be entitled to collect and receive repayment of the loan funds provided by this Agreement. The repayment amount and the requirements for such repayment shall be determined through the applicable enforcement provisions of the Note, Deed of Trust and Covenants.

(b) All rent and lease agreements between the Recipient household and the Subrecipient, its transferee or successor(s) shall comply with the requirements of the County.

(c) As set forth in Section 2(a) above (Scope of Work), all rental housing improved or developed pursuant to this Agreement shall be constructed in conformance with the City approved development and construction permits, and shall receive final inspection approval and certificate of occupancy from the City of Atascadero. And pursuant to Section 5(g) (On-going Project Operation) and Section 18(a) (Contractors and Subcontractors), all such rental housing shall be maintained in conformance with this Agreement for the twenty (20) year term of this Agreement.

(d) The affordability requirements of 24 CFR Part 92.252 or 82.254, as applicable.

29. Entire Agreement and Modification. This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understandings or agreement by the parties, whether formal or informal, regarding any matters are hereby superseded or terminated in their entirety. No changes, amendments, or alterations shall be effective unless in writing and signed by all parties hereto. The Subrecipient specifically acknowledges that in entering into and executing this Agreement, the Subrecipient relies solely upon the provisions contained in this Agreement and no others.

30. Notices. Unless otherwise provided, all notices herein required shall be in writing, and delivered in person or sent by United States first class mail, postage prepaid. Notices required to be given to County shall be addressed as follows:

Director of Social Services  
County of San Luis Obispo  
3433 S. Higuera Street  
San Luis Obispo, CA 93401.

Notices required to be given to the Subrecipient shall be addressed as follows:

Family Care Network, Inc.  
1255 Kendall Road  
San Luis Obispo, CA 93401


Provided that any party may change such address by notice in writing to the other parties and thereafter notices shall be transmitted to the new address.

31. Counterparts. This Agreement may be executed in counterparts and shall be fully effective as if signed by all parties whether or not the signatures of all the parties appear on the original or on any one copy of this Agreement.

\*\*\*\*\*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Family Care Network, Inc.,  
a California nonprofit corporation

By:   
Jim Roberts  
Chief Executive Officer

4/27/2015  
Date

By:   
Bobbie C. Boyer  
Chief Financial Officer

4/27/2015  
Date

COUNTY OF SAN LUIS OBISPO

By: \_\_\_\_\_  
Chairperson of the Board of Supervisors

Approved by the Board of Supervisors this  
\_\_\_\_\_ day of \_\_\_\_\_, 2015

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGAL EFFECT:  
RITA L. NEAL,  
County Counsel

By:   
Deputy County Counsel

Date: 4/27/2015

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF SAN LUIS OBISPO)

On \_\_\_\_\_, before me, \_\_\_\_\_ Deputy County Clerk-Recorder, County of San Luis Obispo, State of California, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that **he/she** executed the same in his/her authorized capacity, and that by **his/her** signature on the instrument the person, or the entity upon of which the person acted, executed the instrument.

I certify under Penalty of Perjury under the laws of the State of California that the foregoing paragraph is true and correct.

**WITNESS** my hand and official seal.

**TOMMY GONG**, County Clerk-Recorder and Ex-Officio Clerk of the Board of Supervisors

By: \_\_\_\_\_  
Deputy County Clerk-Recorder

(SEAL)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE 1189

XX

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of San Luis Obispo

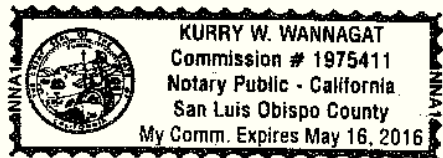
On April 27, 2015 before me, Kurry W. Wannagat, Notary Public  
(date)

Personally appeared Bobbie C. Boyer, Chief Financial Officer  
(Name of Signer)

who proved to be me on a basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature K.W. Wannagat  
(Signature of Notary Public)

Place Notary Seal Above

## CIVIL CODE 1189

[illegible]

State of California  
County of San Luis Obispo

On April 27, 2015 before me, Kurry W. Wannagat, Notary Public  
(date)

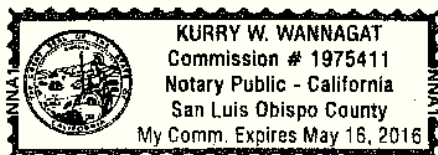
Personally appeared Jim Roberts, Chief Executive Officer  
(Name of Signer)

who proved to be me on a basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature K.W. Donaghy  
(Signature of Notary Public)



*Place Notary Seal Above*

EXHIBIT "A"

LEGAL DESCRIPTION OF 5-PLEX, ~~XXXXXXXXXX~~

That portion of ~~XXXXXXXXXX~~ of Atascadero, in the City of Atascadero, in the County of San Luis Obispo, State of California, according to map recorded October 21, 1914 in Book 4, Page 7 of Maps, in the office of the County Recorder of said County, described as follows:

Beginning at the most Southerly corner of ~~XXXXXXXXXX~~ ~~XXXXXXXXXX~~ as shown on said Map; thence along the Southeasterly line of said Lot, North 35° 50' East 175.43 feet to the True Point of Beginning; thence North 46° 17' West, 100.91 feet to a line that is parallel with and distant South 46° 17' East, 101.00 feet from the Northwesternly line of said Lot; thence along said parallel line, North 35° 50' East, 177 feet to the centerline of Sanbrilla Avenue, as shown on said Map; thence along the centerline of said Sanbrilla Avenue, South 46° 17' east, 100.91 feet to the most Easterly corner of said Lot 7; thence along the Southeasterly line of said Lot 7, South 35° 50' West, 177 feet to the True Point of Beginning.

Excepting therefrom that portion of said land included within the lines of ~~Sanbrilla Avenue~~, as shown on said Map.

Also excepting therefrom all minerals and oil in, under or upon said land.

EXHIBIT "B"

LEGAL DESCRIPTION OF 4-PLEX, APN: [REDACTED]

LEGAL DESCRIPTION

Real property in the City of Atascadero, County of San Luis Obispo, State of California, described as follows:

THAT PORTION OF [REDACTED] OF ATASCADERO, IN THE CITY OF ATASCADERO, COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 4, PAGE 7 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTHEASTERLY LINE OF SAID LOT BEING ON THE CENTERLINE OF ~~SANTA YSABEL AVENUE~~, AS SHOWN ON SAID MAP, THAT IS DISTANT SOUTHEASTERLY ALONG SAID CENTERLINE 52.30 FEET FROM THE MOST NORTHERLY CORNER OF SAID LOT; THENCE ALONG SAID CENTERLINE, SOUTHEASTERLY ALONG A CURVE, CONCAVE NORTHEASTERLY TANGENT TO A LINE BEARING SOUTH 56° 30' 30" EAST, HAVING A RADIUS OF 716.3 FEET THROUGH A CENTRAL ANGLE OF 6° 55' 30", AN ARC DISTANCE OF 86.78 FEET TO THE MOST EASTERLY CORNER OF SAID LOT; THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT, SOUTH 41° 38' WEST, 219.85 FEET TO A POINT THAT IS DISTANT ALONG SAID SOUTHEASTERLY LINE, NORTH 41° 38' EAST, 225 FEET FROM THE CENTERLINE OF SANTA YSABEL AVENUE, AS SHOWN ON SAID MAP; THENCE NORTH 48° 17' WEST, TO A LINE BEARING SOUTH 41° 38' WEST, THAT PASSES THROUGH THE POINT OF BEGINNING; THENCE NORTH 41° 38' EAST, TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF SAID LAND INCLUDED WITHIN THE LINES OF ~~SANTA YSABEL AVENUE~~, AS SHOWN ON SAID MAP.

ALSO EXCEPTING THEREFROM ALL OIL, MINERALS AND OTHER HYDROCARBON SUBSTANCES IN, UNDER OR UPON SAID LAND.

[REDACTED]